

ARTICLE APPEARED
ON PAGE D1

THE WASHINGTON POST
18 November 1981

D.C. Publisher Plans A Global Intelligence Service

By Leonard Downie Jr.
Washington Post Foreign Service

LONDON, Nov. 17—Washington publisher Anthony Stout, backed by a group of large European financial institutions, plans to start a world-wide intelligence service for business and government that claims it will rival the abilities of the Central Intelligence Agency.

Stout, chairman of Government Research Corp., which owns National Journal, is expected to announce formation of the new company—International Reporting and Information Systems—at a news conference here next week.

IRIS will be based in Crystal City. A spokesman acknowledged that one reason the firm will be located in Crystal City is that the computer that forms the core of the new operation will have the advantage of First Amendment protection of information-gathering in the United States and the absence of laws regulating computer intelligence systems.

The new firm has hired former British prime minister Edward Heath at a reported salary of \$100,000 to head an "international advisory council" intended to assure clients of the integrity and accuracy of the service. Heath, who will be working part time while remaining a member of the British parliament, also is being asked to select directors "of public prominence" to oversee IRIS subsidiaries in the United States, Western Europe, the Middle East, Asia, Africa and Latin America, according to a prospectus for investors circulated by the London merchant banking firm of Henry Ansbacher.

IRIS is to be built around a powerful computer, the operation of which is being modeled on the one used by the CIA in Langley, to process information it gathers from around the world, according to IRIS representatives here. They said the IRIS system, designed by a former CIA consultant and "benefitting from the things the CIA has learned in pioneering this technology," would offer clients CIA-like analyses and "scenarios" of political and economic risks that insurance companies, banks, other businesses and governments might encounter in various parts of the world.

The privately circulated prospectus reportedly claims that the IRIS service, using 96 "correspondents" based throughout the world and 33 analysts working under a former State Department official in Crystal City, will surpass the CIA in scope and accuracy of its forecasts. The prospectus reportedly indicates that IRIS was conceived by its organizers partly because of the shortcomings of CIA forecasts for countries such as Iran during the rule of the late shah. IRIS also intends to monitor television and radio broadcasts, newspapers, periodicals and government and business reports worldwide, IRIS representative Maurice Colton said here.

The organizers' references to the CIA and the secrecy that has shrouded the venture so far have caused it to be referred to in speculative press reports here as a "private spy agency," with Heath cast in the role of "the super-computerized version of James Bond's boss 'M'." Staffers of National Journal, a periodical that reports in detail on government and politics, also said they knew little about their new sibling, although it already has opened offices with a staff of about 20 in Crystal City.

The Crystal City office, contacted by telephone today, said Stout was traveling abroad and could not be reached. Heath's office here said he also was traveling and unavailable for comment today. Both men are scheduled to appear at next week's heavily publicized press conference.

Colton said, "There will be nothing clandestine about IRIS. It will be gathering only open information, available to the public and people like journalists, just as the CIA does in much of its work." He said IRIS correspondents would work like journalists, pursuing local media and interviewing officials, politicians, business executives and others.

"The difference with IRIS will be its computer capacity," Colton said. Instead of being limited by space like a newspaper or existing newsletter information services with which IRIS will be competing, he said it will be able to present an almost limitless amount of information on any desired subject to clients paying about \$20,000 to \$200,000 for a terminal connected to the IRIS computer in Crystal City.

"It will be electronic and instantaneous, which nobody else is who is offering the same service," Colton said.

IRIS is incorporated in Holland, with its initial multimillion-dollar capital supplied mostly by a handful of large financial institutions in Britain, Holland and other European countries. But Colton said the names of the investors and financial figures would not be made public until next week.

He said IRIS would own the computer program and distribution service, but that it had contracted the running of the computer and data analysis to a new firm started by Stout, called GRC International, which is a subsidiary of Government Research Corp.